State of California—Health and Human Services Agency

Department of Health Care Services

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MEDICAID HOME- AND COMMUNITY-BASED SERVICES (HCBS) SPENDING PLAN: QUARTERLY REPORTING for Federal Fiscal Year 2021-2022 (Quarter 3) PURSUANT TO SECTION 9817 OF AMERICAN RESCUE PLAN ACT OF 2021 (ARPA)

Submitted electronically via HCBSincreasedFMAP@cms.hhs.gov

As originally submitted on July 12, 2021, and as updated on September 17, 2021, and October 27, 2021, the Department of Health Care Services (DHCS) presented California's Initial Spending Plan Projection and Initial Spending Plan Narrative as to certain initiatives for California's home and community-based services, in accordance with guidance from the Centers for Medicare & Medicaid Services (CMS) related to Section 9817 of the American Rescue Plan Act, as issued on May 13, 2021, via the State Medicaid Director Letter (SMDL) # 21-003. On January 4, 2022, CMS issued its conditional approval of California's HCBS Spending Plan.

Consistent with the directives outlined in SMDL #21-003, DHCS hereby supplies its Quarterly Spending Plan Projection and Narrative for these HCBS initiatives, representing the quarterly report for Quarter 3 of Federal Fiscal Year (FFY) 2021 to 2022.

On behalf of the participating California departments, DHCS provides the following assurances for the updated submissions:

- The state is using the federal funds attributable to the increased federal medical assistance payments (FMAP) to supplement and not supplant existing state funds expended for Medicaid HCBS in effect as of April 1, 2021;

- The state is using the state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program;
- The state is not imposing stricter eligibility standards, methodologies, or procedures for HCBS programs and services than were in place on April 1, 2021;
- The state is preserving covered HCBS, including the services themselves and the amount, duration, and scope of those services, in effect as of April 1, 2021; and
- The state is maintaining HCBS provider payments at a rate no less than those in place as of April 1, 2021.

If you or your staff have any questions or need additional information regarding this HCBS Spending Plan Quarterly Reporting Assurance Letter, please contact Saralyn M. Ang-Olson, JD, MPP, Chief Compliance Officer, by phone at (916) 345-8380, or by email at Saralyn.Ang-Olson@dhcs.ca.gov.

Sincerely,

Jacey Cooper
State Medicaid Director
Chief Deputy Director
Health Care Programs

Enclosure: California's Quarterly HCBS Spending Plan Projection and Quarterly HCBS Spending Plan Narrative, for Quarter 3 of Federal Fiscal Year 2021-2022

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State of California

Department of Health Care Services

American Rescue Plan Act

Increased Federal Medical Assistance Percentage (FMAP) for Home- and Community-Based Services (HCBS)

Quarterly Reporting on HCBS Spending Plan Projection

For

Federal Fiscal Year 2021-2022, Quarter 3

Introduction

California's quarterly HCBS Spending Plan Projection for Quarter 3 of Federal Fiscal Year (FFY) 2021-2022 includes additional information on the amount of increased FMAP claimed and state spending equivalent to projected increased FMAP to date and in future quarters. The overall total amount of increased FMAP projected to be claimed and related state spending have not changed from the previous quarterly update. However, the amount of spending projected for individual programs has been updated to reflect some minor shifting. Additional quarterly information will be provided with later quarterly updates as implementation proceeds.

Estimate of Funds Attributable to Increased FMAP Anticipated to Be Claimed

As provided below, California continues to anticipate claiming approximately $3 billion attributable to increased FMAP for the quarters from April 2021 through March 2022. For Q3 of FFY 2021-2022, the following chart applies. These amounts are unchanged from the previous quarterly update.

(In Millions)	Federal Fiscal Year 2020-2021		Federal Fiscal Year 2021-2022					
Service Category /a	**April - June 2021**	**July - Sept 2021**	**Oct-Dec 2021**	**Jan-March 2022**	**Apr-June 2022**	**July-Sept 2022**	**Later Quarters (Due to Claiming Lags)**	**Total**
Line 12 - Home Health Services /c	$0.0	$0.0	$0.0	$14.9	$9.9	$2.5	$2.4	**$29.8**
Line 19A - Home- and Community-Based Services - Regular Payment (Waiver) /c	$0.0	$0.0	$0.0	$359.2	$235.0	$67.5	$55.6	**$717.3**
Line 19B - Home- and Community-Based Services - State Plan 1915(i) Only Payment	$0.0	$0.0	$0.0	$72.1	$49.4	$14.5	$11.8	**$147.9**

(In Millions)	Federal Fiscal Year 2020-2021		Federal Fiscal Year 2021-2022					
Service Category /a	**April - June 2021**	**July - Sept 2021**	**Oct-Dec 2021**	**Jan-March 2022**	**Apr-June 2022**	**July-Sept 2022**	**Later Quarters (Due to Claiming Lags)**	**Total**
Line 19C - Home- and Community-Based Services - State Plan 1915(j) Only Payment	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**
Line 19D - Home- and Community-Based Services State Plan 1915(k) Community First Choice	$0.0	$0.0	$0.0	$471.8	$321.1	$83.9	$82.8	**$959.5**
Line 22 - Programs of All-Inclusive Care for the Elderly	$0.0	$0.0	$0.0	$49.9	$30.0	$6.3	$6.4	**$92.7**
Line 23A - Personal Care Services - Regular Payment	$0.0	$0.0	$0.0	$237.3	$154.2	$36.0	$37.0	**$464.5**
Line 23B - Personal Care - SDS 1915(j)	$0.0	$0.0	$0.0	$21.7	$13.8	$3.1	$3.2	**$41.9**
Line 24A - Targeted Case Management Services - Community Case Management	$0.0	$0.0	$0.0	$31.6	$23.9	$6.9	$6.6	**$69.0**
Line 24B - Case Management Statewide	$0.0	$0.0	$0.0	$2.6	$2.7	$1.0	$0.9	**$7.1**
New Line - Managed Long-Term Services and Supports	$0.0	$0.0	$0.0	$41.0	$24.5	$5.7	$5.4	**$76.6**
New Line - Rehabilitative Services /c	$0.0	$0.0	$0.0	$242.2	$118.3	$20.5	$19.6	**$400.7**
New Line - School Based Services	$0.0	$0.0	$0.0	$8.3	$7.1	$2.2	$2.1	**$19.8**
TOTALS	**$0.0**	**$0.0**	**$0.0**	**$1,552.5**	**$990.2**	**$250.2**	**$233.9**	**$3,026.8**

a. Service categories tie to lines in the CMS-64 and CMS-37 forms.

(In Millions)	Federal Fiscal Year 2020-2021	Federal Fiscal Year 2021-2022					
Service Category /a	**April - June 2021**	**July - Sept 2021**	**Oct-Dec 2021**	**Jan-March 2022**	**Apr-June 2022**	**July-Sept 2022**	**Later Quarters (Due to Claiming Lags)**	**Total**

b. Adjusted to assume only 5 percent increased FMAP for adult group expenditures matched at the "newly eligible" FMAP.

Anticipated Expenditures for Activities to Implement, Enhance, Expand and Strengthen HCBS

Table 2 outlines the amount of expenditures the state has made through December 2021 (none, pending federal and state legislative approvals), as well as projected expenditures yet to be made in January 2022 and later, equivalent to the amount of increased FMAP estimated to be claimed. More details on these expenditures are included in the Spending Plan Narrative. Note that the timing of payments is uncertain and subject to updates in the coming months as increased FMAP is claimed and expenditures are ramped up.

(In Millions)	Actual Expenditures Apr-Dec 2021			Projections January 2022 and Later			Totals		
Expenditure Item	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**
WORKFORCE: RETAINING AND BUILDING NETWORK OF HOME- AND COMMUNITY-BASED DIRECT CARE PROVIDERS									
In-Home Supportive Services (IHSS) Career Pathways Proposal	$ -	$ -	$ -	$ 295.1	$ -	$ 295.1	$ 295.1	$ -	$ 295.1
Direct Care Workforce (Non-IHSS) Training and Stipends	$ -	$ -	$ -	$ 150.0	$ -	$ 150.0	$ 150.0	$ -	$ 150.0
IHSS HCBS Care Economy Payments	$ -	$ -	$ -	$ 137.3	$ 137.3	$ 274.6	$ 137.3	$ 137.3	$ 274.6
Non-IHSS HCBS Care Economy Payments	$ -	$ -	$ -	$ 6.3	$ 6.3	$ 12.5	$ 6.3	$ 6.3	$ 12.5
Increasing Home and Community Based Clinical Workforce	$ -	$ -	$ -	$ 75.0	$ -	$ 75.0	$ 75.0	$ -	$ 75.0

(In Millions)	Actual Expenditures Apr-Dec 2021			Projections January 2022 and Later			Totals		
Expenditure Item	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**
PATH Funds for Homeless and HCBS Direct Care Providers	$ -	$ -	$ -	$ 50.0	$ 50.0	$ 100.0	$ 50.0	$ 50.0	$ 100.0
Traumatic Brain Injury (TBI) Program	$ -	$ -	$ -	$ 5.0	$ -	$ 5.0	$ 5.0	$ -	$ 5.0
HOME- AND COMMUNITY-BASED SERVICES NAVIGATION									
No Wrong Door/Aging and Disability Resource Connections	$ -	$ -	$ -	$ 5.0	$ -	$ 5.0	$ 5.0	$ -	$ 5.0
Dementia Aware and Geriatric/Dementia Continuing Education	$ -	$ -	$ -	$ 25.0	$ -	$ 25.0	$ 25.0	$ -	$ 25.0
Language Access and Cultural Competency Orientations and Translations	$ -	$ -	$ -	$ 27.5	$ 18.3	$ 45.8	$ 27.5	$ 18.3	$ 45.8
CalBridge Behavioral Health Pilot Program	$ -	$ -	$ -	$ 40.0	$ -	$ 40.0	$ 40.0	$ -	$ 40.0
HOME- AND COMMUNITY-BASED SERVICES TRANSITIONS									
Community Based Residential Continuum Pilots for Vulnerable, Aging and Disabled Populations	$ -	$ -	$ -	$ 110.0	$ 187.7	$ 297.7	$ 110.0	$ 187.7	$ 297.7
Eliminating Assisted Living Waiver (ALW) Waitlist	$ -	$ -	$ -	$ 84.9	$ 169.8	$ 254.7	$ 84.9	$ 169.8	$ 254.7
Housing and Homelessness Incentive Program	$ -	$ -	$ -	$ 650.0	$ 650.0	$1,300.0	$ 650.0	$ 650.0	$ 1,300.0
Community Care Expansion Program [a]	$ -	$ -	$ -	$ 53.4	$ -	$ 53.4	$ 53.4	$ -	$ 53.4
SERVICES: ENHANCING HOME- AND COMMUNITY-BASED CAPACITY AND MODELS OF CARE									
Alzheimer's Day Care and Resource Centers	$ -	$ -	$ -	$ 5.0	$ -	$ 5.0	$ 5.0	$ -	$ 5.0
Older Adult Resiliency and Recovery	$ -	$ -	$ -	$ 106.0	$ -	$ 106.0	$ 106.0	$ -	$ 106.0
Adult Family Homes for Older Adults	$ -	$ -	$ -	$ 9.0	$ -	$ 9.0	$ 9.0	$ -	$ 9.0
Coordinated Family Support Service	$ -	$ -	$ -	$ 25.0	$ 16.7	$ 41.7	$ 25.0	$ 16.7	$ 41.7
Enhanced Community Integration for Children and Adolescents	$ -	$ -	$ -	$ 12.5	$ -	$ 12.5	$ 12.5	$ -	$ 12.5

(In Millions)	Actual Expenditures Apr-Dec 2021			Projections January 2022 and Later			Totals		
Expenditure Item	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**	**State Funds**	**Federal Funds**	**Total Funds**
Social Recreation and Camp Services for Individuals with Developmental Disabilities	$ -	$ -	$ -	$ 78.2	$ 42.9	$ 121.1	$ 78.2	$ 42.9	$ 121.1
Developmental Services Rate Model Implementation [a]	$ -	$ -	$ -	$ 944.9	$ 486.4	$1,431.3	$ 944.9	$ 486.4	$ 1,431.3
Contingency Management	$ -	$ -	$ -	$ 31.7	$ 26.7	$ 58.5	$ 31.7	$ 26.7	$ 58.5
HOME- AND COMMUNITY-BASED SERVICES INFRASTRUCTURE AND SUPPORT									
Long-Term Services and Supports Data Transparency	$ -	$ -	$ -	$ 4.0	$ -	$ 4.0	$ 4.0	$ -	$ 4.0
Modernize Regional Center Information Technology Systems	$ -	$ -	$ -	$ 6.0	$ 1.5	$ 7.5	$ 6.0	$ 1.5	$ 7.5
Access to Technology for Seniors and Persons with Disabilities	$ -	$ -	$ -	$ 50.0	$ -	$ 50.0	$ 50.0	$ -	$ 50.0
Senior Nutrition Infrastructure	$ -	$ -	$ -	$ 40.0	$ -	$ 40.0	$ 40.0	$ -	$ 40.0
Totals	**$ -**	**$ -**	**$ -**	**$3,026.8**	**$1,793.5**	**$4,820.3**	**$ 3,026.8**	**$ 1,793.5**	**$ 4,820.3**

a. Updated to shift $294.9 million state funds from Community Care Expansion to Developmental Services Rate Model implementation.

State of California

Department of Health Care Services

American Rescue Plan Act

Increased Federal Medical Assistance Percentage (FMAP) for Home- and Community-Based Services (HCBS)

Quarterly Reporting on HCBS Spending Plan Narrative

For

Federal Fiscal Year 2021-2022, Quarter 3

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OVERVIEW

A variety of health and human services can be delivered through home- and community- based services, which comprise person-centered care delivered in the home and community. In turn, HCBS programs address the needs of people with functional limitations who need assistance with everyday activities, serving as a source of assistance to many individuals, including seniors and those with physical disabilities and serious behavioral health conditions.

California's HCBS Spending Plan builds on the bold health and human services proposals that were anchored in California's Comeback Plan, by expanding on or complementing the proposals to achieve improved outcomes for individuals served by the programs. Historically, these proposals independently provided one-time investments to build capacity and transform critical safety net programs to support and empower Californians.

It is this tradition of investing in such programs and services that propels California's HCBS Spending Plan. Rooted in both the Olmstead Supreme Court decision of 1999 [(*Olmstead v. L.C.,* 527 U.S. 581 (1999)] and in California's values of inclusion, access, and equity, California's HCBS Spending Plan manifests the state's deep and longstanding commitment to advancing the health and well-being of all in our state, promoting economic mobility and overall social stability.

Enhanced Federal Funding Authorized by the ARPA

On March 11, 2021, President Biden signed ARPA (Pub. L. 117-2). Section 9817 of the ARPA provides qualifying states with a temporary 10 percentage point increase to the federal medical assistance percentage (FMAP) for certain Medicaid expenditures for HCBS programs from April 1, 2021 through March 31, 2022.

This law requires states to use the federal funds attributable to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021. In addition, states must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

States will be permitted to use the equivalent to the amount of federal funds attributable to the increased FMAP through March 31, 2024, on activities aligned with the goals of section 9817 of the ARPA and as listed in CMS' guidance. Under ARPA, states can implement a variety of activities, including enhancements to HCBS services, eligibility, infrastructure, and reimbursement methodologies, to enhance, expand, or strengthen Medicaid HCBS.

Initial Submission of California's HCBS Spending Plan

On July 12, 2021, the Department of Health Care Services (DHCS) submitted to the Center for Medicare and Medicaid Services (CMS) California's original Initial HCBS Spending Plan Projection and original Initial HCBS Spending Plan Narrative as to certain initiatives for Medicaid home- and community-based services, consistent with the directives set forth in CMS' letter, "Implementation of American Rescue Plan Act of 2021 Section 9817," dated May 13, 2021 (State Medicaid Director (SMDL) #21-003).

On September 17 and October 27, 2021, responsive to CMS' feedback as of September 3 and October 26, 2021, respectively, regarding certain initiatives and request for additional information, California submitted updates of the foregoing documents and anticipates CMS' further response or approval. On January 4, 2022, CMS informed DHCS that the CA HCBS Spending Plan received conditional approval.

Of the 29 initiatives originally presented, only one was denied by CMS. Therefore, at present, California focuses on 28 initiatives related to five categories of HCBS services.

Notably, the enhanced federal funding provides California with an opportunity to make substantial investments in the programs that serve our most vulnerable Californians, including populations that are aging, disabled, and homeless, and those with severe behavioral health needs. These investments further bolster the investments made in health and human services programs as part of the 2021 state budget that are designed to begin addressing the health, economic, and racial inequities that were exacerbated by the COVID-19 pandemic. Collectively, these investments chart a path to a system where social services—such as housing supports, food and childcare—are linked to the health and behavioral health services. Because these services are person-centered, they will help address the social, cultural and linguistic needs of the individuals they serve. Finally, these proposals independently help bolster critical safety net programs that support and empower Californians.

Quarterly Reporting on California's HCBS Spending Plan

CMS requires participating states to report quarterly on the activities that the state has implemented and/or intends to implement to enhance, expand, or strengthen HCBS under the Medicaid program, to demonstrate that the state is supplementing, but not supplanting, existing state funds expended for Medicaid. (See SMDL #21-003 at https://www.medicaid.gov/federal-policy-guidance/downloads/smd21003.pdf.)

This multi-department, quarterly report on California's HCBS Spending Plan updates CMS on the remaining 28 initiatives in the following five categories of services:

- Workforce: Retaining and Building Network of HCBS Direct Care Workers
- HCBS Navigation
- HCBS Transitions
- Services: Enhancing HCBS Capacity and Models of Care
- HCBS Infrastructure and Support

As noted in its initial submission, California's HCBS Spending Plan reflects stakeholder feedback, having incorporated suggestions from advocates, providers, consumers, caregivers, community-based organizations, managed care plans, and foundations. The state's Spending Plan also reflects priorities from the state Legislature. Further, the initiatives included in this Spending Plan will be sustained through many ongoing investments, reflecting the collective vision of the state and its stakeholders.

CATEGORIES of SERVICES and HCBS SPENDING PLAN INITIATIVES

Workforce: Retaining and Building Network of Home- and Community-Based Direct Care Workers

Critical to all endeavors to expand home- and community-based services is a robust direct care workforce. The state recognizes this workforce's cultural and linguistic strengths as valuable and finds it serves as a model as the state develops this network. Without an investment in the state's workforce, the HCBS initiatives and services discussed later in this document would not be viable.

In addition, turnover among the workforce who are directly involved with consumers prevents the development of trusting relationships and causes instability in services for the consumer. Targeted investments are needed to recruit, train, and retain a network of highly skilled workers to improve consumer experience and outcomes.

These proposals work to expand workforce supply and HCBS provider types, including homeless service workers; providers of HCBS wrap services to keep people in their homes and community; and home-based clinical direct care. In addition, these proposals will increase training, ensuring a skilled and linguistically and culturally responsive workforce, while supporting a career ladder that allows HCBS workers to develop their skills and training.

Initiatives include:

- In Home Supportive Services (IHSS) Career Pathways
- Direct Care (Non-IHSS) Workforce - Training and Stipends
- IHSS HCBS Care Economy Payments
- Non-IHSS HCBS Care Economy Payments

- Increasing Home and Community-Based Clinical Workforce
- Providing Access and Transforming Health (PATH) funds for Homeless and HCBS Direct Care Providers
- Traumatic Brain Injury (TBI) Program

IHSS Career Pathways
Funding: $295.1M enhanced federal funding ($295.1M TF) [One-Time]
Lead Department(s): California Department of Social Services (CDSS), with DHCS

In consultation with stakeholders, the California Department of Social Services (CDSS) will expand upon existing training and identify additional opportunities to support the specialized training of IHSS providers to further support consumers with complex care needs.

Assembly Bill 172 added Welfare & Institutions Code (WIC) section 12316.1 to administer the Career Pathways Program for the IHSS providers. It outlines a pilot project for the Career Pathways Program that will be implemented no later than September 1, 2022, and remain operative until March 1, 2024. Providers who have completed provider enrollment and are eligible to work for a recipient, including registry and emergency backup providers, may participate in the Career Pathways Program. Providers will be paid hourly for participation in the training, and Providers who successfully complete coursework in their selected career pathway and who then apply the coursework to the IHSS programs will be eligible to receive incentive payments.

The objectives of the Career Pathways Program include, but are not limited to:

- Promotion of recipient self-determination principles
- Dignity in providing and receiving care through meaningful collaboration between the recipient and provider
- Advancement of health and service equity including the quality of care, care outcomes and life
- Promotion of a culturally and linguistically competent workforce to serve the growing racial and ethnic diversity of an aging population
- Increasing provider employment retention to maintain a stable workforce for recipients

The five career pathways of the program are viewed as follows.
- The basic skills career pathways include:
    - General health and safety
    - Adult education topics
- The specialized skills career pathways include:
    - Cognitive impairments and behavioral health

- Complex physical care needs
- Transitioning from homelessness

Providers shall be eligible to receive an incentive payment, the amounts to be determined by the department, when any of the following are met:

(1) A provider successfully completes 15 hours of course work for a specific career pathway;

(2) A provider successfully completes 15 hours of course work in a specialized skills career pathway, subsequently begins working for a recipient who needs that type of specialized care, and has provided 40 hours of care to that recipient in the first month of service;

(3) A provider successfully completes 15 hours of course work for a specialized skills career pathway, subsequently begins working for a recipient who needs that type of specialized care and has provided 40 hours of care to that recipient per month for at least 6 months.

The CDSS will provide outreach to providers regarding training opportunities, assist interested providers to connect with training, track completion of training, and issue stipend payments, as well as any other identified administrative activities.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

CDSS held stakeholder meetings to define career pathways and program objectives in July and September 2021. Representatives from the California Association of Public Authorities, the County Welfare Directors Association, the California State Association of Counties, and the Unions attended. The objectives and pathways outlined in the summary section above were defined through those Stakeholder discussions and were added to the WIC Section 12316. 1.

Currently, CDSS is pursuing a contract with High Road Alliance for consulting services to identify and build career ladders related to the established career pathways and is in the process of putting together a Request for Proposal to competitively bid training vendor services.

CDSS held a broader stakeholder meeting in December 2021, and will be holding an additional stakeholder meeting in January 2022, to receive additional input on the program as it moves forward.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report. The Career Pathways Pilot Program will be implemented no later than September 1, 2022, and remain operative until March 1, 2024.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Several updates to the incentive payment criteria were made since the Q2 update. Providers are now eligible to receive incentive payments for more than two career pathways annually if they meet the outlined criteria. Additionally, the number of hours of care was changed from 100 hours to 40 hours for Providers who complete 15 hours of course work and then subsequently begin working for a recipient who needs that type of specialized care for either one month or six months to be eligible for the applicable incentive payment.

Direct Care Workforce (non-IHSS) Training and Stipends
Funding: $150M enhanced federal funding ($150M TF) [One-Time]
Lead Department(s): California Department of Aging (CDA), with DHCS, CDSS, Office of Statewide Health Planning and Development (OSHPD), now newly named as the Department of Health Care Access and Information (HCAI)

Training and stipends will be available to Direct Care Workforce (non-IHSS) that provide services to Medicaid participants in a range of home and community-based settings, in order to both improve care quality, respond to severe worker shortages in the sector, andprevent unnecessary institutionalization. These training and stipends for Direct Care Workers (non-IHSS) that serve people who are participating in Medicaid and receiving services to remain living in the home and community and avoid institutions will improve the skills, stipend compensation, and retention of direct care workforce sector that Is either employed by Medicaid HCBS waiver programs (e.g., CBAS, MSSP, PACE) or delivering the direct care services to Medicaid participants that are referenced in Appendix B.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

This investment is an entirely new program to the State and requires IT infrastructure as well as collaboration with other departments to ensure that Workforce investments are not overlapping audiences and are meaningfully implemented. We have begun several of the foundational conversations with sister departments and are seeking a consultant to assist in the execution of this program.

2. *States should explain how they intend to sustain such activities beyond March 31, 2024.*

Nothing to report as yet for these one-time expenditures.

3. *Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.*

Nothing to report.

IHSS HCBS Care Economy Payments
Funding: $137M enhanced federal funding ($275M TF) [One-Time]
Lead Department(s): CDSS

The IHSS HCBS Care Economy Payments are a one-time incentive payment of $500 to each current IHSS Provider that provided IHSS to program Recipient(s) for a minimum of two months between March 1, 2020 and March 31, 2021. The payment will be issued through the IHSS automated system, the Case Management, Information and Payrolling System (CMIPS), and will focus on payment for retention, recognition, and workforce development.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

CGI Technologies and Solutions, the vendor that maintains and operates CMIPS on behalf of the State, designed and is in the process of implementing system changes to the CMIPS in order to process the one-time IHSS HCBS Care Economy Payment. A newly created special transaction type, known as the Provider One Time Payment (POTP), will be used to pay out the Care Economy Payment.

Notices will be emailed to all IHSS Providers informing them of the upcoming IHSS Care Economy Payment. Paper letters will be mailed to Providers that do not have an email address. Each notice will include the qualifications required to receive the payment.

The one-time payment is anticipated to be issued in January 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report. This is a one-time incentive payment.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

The Q2 update, which stated that the one-time incentive payment would be provided to IHSS Providers that rendered IHSS Services to program Recipient(s) for a minimum of three months between March 1, 2020 and December 31, 2020, was an error. The initial eligibility requirements outlined in the Updated Initial HCBS Spending Plan Narrative were correct. The one-time incentive payment will be provided to IHSS Providers that rendered IHSS Services to program Recipient(s) for a minimum of two months between March 1, 2020 and March 31, 2021.

Non-IHSS HCBS Care Economy Payments
Funding: $6.25M enhanced federal funding ($12.5M TF) [One-Time]
Lead Department(s): DHCS, with CDA

This funding would provide a one-time incentive payment of $500 to each current direct care, non-In Home Supportive Services (IHSS) provider of Medi-Cal home and community-based services during the specific timeframe of at least two months between March 2020 and March 2021. Providers eligible for this incentive payment are currently providing, or have provided, the services listed in Appendix B of the SMDL #21-003, including, but not limited to, Personal Care Services (PCS), homemaker services and Case Management. This proposal will expand access to providers and could increase retention of current providers, covering 25,000 direct care HCBS providers in the Multi-purpose Senior Services Program Waiver (MSSP), Community Based Adult Services program (CBAS), Home and Community-Based Alternatives (HCBA) Waiver, Assisted Living Waiver (ALW), HIV/AIDS Waiver, Program of All-Inclusive Care for the Elderly (PACE), and the California Community Transitions program (CCT) and would focus on payment for retention, recognition, and workforce development. This effort can help alleviate financial strain and hardships suffered by California's HCBS direct care workforce, which were exacerbated by the COVID-19 Public Health Emergency (PHE). The PHE has worsened the direct care workforce shortage, driven by high turnover, and limited opportunities for career advancement. This proposal, coupled with California's other proposals, can lead to a more knowledgeable, better trained, and sufficiently staffed HCBS workforce to provide high-quality services.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DHCS has identified that payment processes will be complex and likely require a mix of fiscal intermediary facilitated payments and DHCS direct payments due to the fee-for-service, capitation), and provider models (in most cases, provider agencies claim or receive capitated payment for services provided by employed direct care staff). DHCS, in collaboration with sister Departments and stakeholders, is conducting extensive work to

identify eligible recipients and implement systems to process payments.

Additionally, DHCS requested further clarification from CMS as to whether the enhanced FMAP through the HCBS Spending Plan can be utilized for incentive payments for Money Follows the Person (MFP), known in California as California Community Transitions (CCT) providers. If CMS responds that MFP/CCT providers are not eligible, DHCS will need to update California's HCBS Spending Plan to remove MFP/CCT providers.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

This initiative is a one-time payment meant to help alleviate financial strain and hardships suffered by California's HCBS direct care workforce during the COVID-19 PHE and expand access to providers and incentivize retention of current California's existing HCBS direct care workforce.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

DHCS had initially planned on implementing these payments in early 2022. However, due to the complexity of the project, DHCS is postponing the implementation of payment processing until no sooner than Quarter 1 of FFY 2022-2023. DHCS plans to secure a contractor to assist with developing payment identification and processing plan by mid-2022.

Increasing the Home and Community Based Clinical Workforce
Funding: $75M enhanced federal funding ($75M TF) [One-Time]
Lead Department(s): OSPHD/HCAI, with DHCS, California Department of Public Health (CDPH), CDA

The goal of the HCAI HCBS Spending Plan Initiative is to increase the HCBS clinical workforce of Home Health Aides (HHAs), Certified Nurse Assistants (CNAs), Licensed Vocational Nurses (LVNs), and Registered Nurses (RNs), to increase racial and language diversity, and access to health services in rural communities, children with complex medical conditions, individuals with disabilities, and geriatric care for aging adults for the Medi-Cal population.

To attain this goal, HCAI is working with a consulting firm to develop and execute a contract. Once a contract is in place, the consulting firm will conduct needs assessment and stakeholder engagement to identify data needs and gaps, and to inform and develop HCBS clinical workforce objectives, recommendations, proposed timelines, and project implementation plan.

HCAI has contracted with a consultant, effective November 1, 2021, to a needs assessment and assist with design and development of initiatives or programs to increase the HCBS

clinical workforce.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

Activities

Cross-Department Collaboration Meeting

- August 26, 2021 – HCAI conducted a HCBS Spending Plan Cross-Department Kick-Off Meeting with CDA, CDPH, and DHCS, to coordinate among state agencies regarding the HCBS project goal related to increasing clinical workforce, to start identifying data needs and other stakeholders, and identifying next steps across departments.

- HCAI will continue to engage other departments when doing the stakeholder engagement and data needs analysis.

- November 12, 2021 – HCAI informed all potential stakeholders about the HCBS initiative and encouraged them to participate in upcoming interviewing sessions, as well as design and development sessions.

Consultant Contract

- Contract executed and effective November 1, 2021.

- As of December 15, 2021 – Consultant has conducted 15 stakeholder engagement interviews.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

HCAI has contracted with a consultant to assist in developing a multi-year plan beyond March 31, 2024.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

HCAI's spending plan projection for Q2 FFY 2021-2022 is based on current estimated costs of the proposed contract with a consulting firm.

HCAI adjusted the Spending Plan project for Q2 FFY 2021-2022 to reflect a modification to the consulting contract.

HCAI based its Spending Plan projection for Q2 FFY 2021-2022 on estimated costs of the costs of the contract with the consultant.

Providing Access and Transforming Health (PATH) funds for Homeless and HCBS Direct Care Providers
Funding: $50M enhanced federal funding ($100M TF) [One-Time]
Lead Department(s): DHCS, with CDSS and OSHPD/HCAI

PATH funds will support a multi-year effort to shift delivery systems and advance the coordination and delivery of quality care and services authorized under DHCS' Section 1115 and 1915(b) waivers. This complements the $200 million ($100 million General Fund) proposal in the state budget to build capacity for effective pre-release care for justice-involved populations to enable coordination with justice agencies and Medi-Cal coverage of services 30 days prior to release.

California is proposing a significant expansion of the homeless system of care that will create over 2,000 direct service jobs for those providing services to homeless and formerly homeless individuals through investments in California Department of Social Services programs. Additionally, Medi-Cal is planning to expand Enhanced Care Management (ECM) and long-term services and supports statewide through CalAIM In Lieu of Services (ILOS) (now known as Community Supports). To successfully implement these new investments, local governments and community based organizations will need to recruit, onboard, and traina new workforce. In particular, there is a need for a workforce with experience/expertise in working with the disabled and aging populations. Funding will support outreach effortsto publicize job opportunities, workforce development strategies to train staff in evidencedbased practices, implement information technology for data sharing, and support training stipends. Funds will also support ECM and ILOS/Community Supports provider capacity building (e.g., workflow development, operational requirements and oversight) and delivery system infrastructure investments (e.g., certified EHR technology, care management document systems, closed-loop referral, billing systems/services, and onboarding/enhancements to health information exchange capabilities).

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DHCS received approval of this program through the renewal of the Section 1115 Waiver.

DHCS continues to develop the operational protocols for the PATH program and will submit to CMS in Q1 of 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

The activities funded in this initiative are foundational to the successful implementation of Enhanced Care Management and ILOS/Community Supports such as Respite Services, Day Habilitation Programs, Community Transition Services, Personal Care and Homemaker Services, and Environmental Accessibility Adaptions, by building further capacity and infrastructure. The services are being implemented in California's Medi-Cal Managed Care Delivery System, with the goal of implementing Managed Long Term Services and Supports statewide in 2026.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

DHCS anticipates the application process and funding distribution to begin in Q3 of 2022.

Traumatic Brain Injury (TBI) Program
Funding: $5M enhanced federal funding ($5M TF) [One-Time]
Lead Department(s): Department of Rehabilitation (DOR)

The DOR Traumatic Brain Injury (TBI) Program providesfive core services designed to increase independent living skills to maximize the ability ofindividuals with TBI to live independently in a community of their choice. These core services are also preventative as many TBI survivors who do not have access to a network of services and supports are at a higher risk of chronic homelessness, institutionalization, imprisonment, and placement in skilled nursing facilities due to an inability to perform activities of daily living and impaired emotional regulation. State law requires that 51% of the individuals served in the TBI program must be Medi-Cal recipients.

The Home and Community-Based Services (HCBS) Expanding TBI Provider Capacity Proposal will expand the capacity of existing TBI sites and stand up new TBI sites in alignment with HCBS surrounding transition and diversion through communityreintegration, personal care services through supported living services, and other supportive services to improve functional capabilities of individuals with TBI.

The proposal includes funding to expand capacity of six (6) existing TBI sites and to award up to six (6) additional TBI sites in unserved/underserved areas.

Quarterly Report on HCBS Spending Plan Narrative for the Initiative:

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DOR currently has six (6)TBI Program sites funded under the authority of the California Welfare and Institutions Code (WIC) section 4357.1 through December 31, 2021. DOR has issued a Request for Application (RFA) and intent to award for the selection of new TBI Program sites under WIC section 4357.1 to be awarded with an effective date of January 1, 2022 through June 30, 2024.

HCBS Spending Plan funding for TBI will be provided to the TBI Program sites selected through the current RFA process to expand their capacity beginning in early 2022 for encumbrance or expenditure until March 31, 2024. Through an additional RFA process, DOR will award up to six (6) additional TBI sites in unserved/underserved in early 2022 for encumbrance or expenditure until March 31, 2024.

DOR will hire a staff position to support the TBI Program HCBS Spending Plan initiative with anticipated expenditures beginning February 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

The HCBS Spending Plan TBI Program is anticipated as a one-time investment to build the capacity of TBI services providers to serve individuals with TBI. TBI services will be provided on-going through WIC section 4357.1 and new funding sources.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Home and Community Based Services Navigation

To improve access to HCBS, these HCBS Navigation initiatives work to development a variety of statewide HCBS navigation systems, including screening and assessment tools, referral and navigation systems, coordination of services, and outreach campaigns.

HCBS Navigation Initiatives include:

- No Wrong Door System/Aging and Disability Resource Connections (ADRCs)
- Dementia Aware and Geriatric/Dementia Continuing Education
- Language Access and Cultural Competency Orientations and Translations
- CalBridge Behavioral Health Pilot Program

No Wrong Door/Aging and Disability Resource Connections (ADRCs)
Funding: $5M enhanced federal funding ($5M TF) One-Time
Lead Department(s): CDA, with DHCS, DOR

California is establishing a state-wide “No Wrong Door” system (or Aging and Disability Resource Connections), so the public can easily find information, person-centered planning, and care management for older adults and adults with disabilities across the range of home and community services provided by health plans (i.e., CalAIM “In Lieu of Services”/Community Supports) community-based organizations (CBOs), homeless Continuums of Care, and counties. This investment supports the interoperability between the proposed ADRC technology and data systems with CBOs, health plans, and counties in line with the CalAIM goals for statewide Managed Long-Term Services and Supports for all Californians participating in Medi-Cal and with the new Office of Medicare Innovation and Integration.

Quarterly Report on HCBS Spending Plan Narrative for the Initiative:

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

We are assessing the most meaningful way to implement both this investment and the ADRC investment within the Older Adults’ Recovery and Resilience package. We are assessing different IT options, such as a Client Relationship Management tool and a Learning Management Software. We will provide more information as we hone in on the exact IT efforts we want to employ.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for these one-time expenditures.

3. Updates or modifications to the quarterly HCBS narratives concerning California’s HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Dementia Aware and Geriatric/Dementia Continuing Education
Funding: $25M enhanced federal funding ($25M TF) [One-Time]
Lead Department(s): DHCS, with OSHPD/HCAI, CDPH

The state budget addresses the recommendations put forward by the Governor’s Task Force on Alzheimer’s Prevention and Preparedness. This spending plan makes additional investments to further this work by screening older adults for Alzheimer’s and related dementias to ensure early detection and timely diagnosis, while also connecting individuals and families to community resources.

Dementia Aware: Develop an annual cognitive health assessment that identifies signs of Alzheimer's disease or other dementias in Medi-Cal beneficiaries. Develop provider training in culturally competent dementia care. Develop a referral protocol on cognitive health and dementia for Medi-Cal beneficiaries, consistent with the standards for detecting cognitive impairment under the federal Medicare Program and the recommendations by the American Academy of Neurology, the California Department of Public Health’s Alzheimer’s Disease Program, and its ten California Alzheimer’s DiseaseCenters (CADC).

Geriatric/Dementia Continuing Education, for all Licensed Health/Primary Care Providers: Make continuing education in geriatrics/dementia available to all licensed health/primary care providers, in partnership with Department of Consumer Affairs and OSHPD/HCAI, by 2024.This education of current providers complements the Administration’s geriatric pipeline proposals for future providers; it is needed to close the gap between current health professionals with any geriatric-training and the rapidly growing and diversifying 60-plus population.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

On August 25, 2021, in further cross-departmental collaboration, DHCS conferred with its partner departments (listed above) to review the components of this and other related dementia initiatives and establish the preliminary milestone of DHCS’ outreach to CADCs to assess provider training needs.

Subsequently, in anticipation of developing the aforementioned provider training, DHCS met with the CADC directors on September 17, 2021, to solicit further input. The directors expressed enthusiasm in partnering with the state for this initiative and shared with DHCS their Assessment of Cognitive Complaints Toolkit, a document that serves to enable accurate diagnosis of dementia in a primary care setting and to help primary care providers make appropriate referrals. Since there is currently no standard of care nationally for dementia care, as the directors noted, they recommended that the group consider establishing such standard of care through this initiative. DHCS will review the toolkit and the directors’ other recommendations when working with a contractor to develop the online provider training. DHCS will continue to solicit input and feedback from the CADC directors as the initiative unfolds.

On October 7, 2021, DHCS participated in a cross-department planning meeting with CDPH and HCAI to discuss, among other things, how to align and coordinate around which data measures would be tracked for various dementia-related initiatives, including Dementia Aware.

On October 19, 2021 and November 2, 2021, DHCS met with stakeholders from UCSF and Alzheimer's Los Angeles, respectively, to share updates on Dementia Aware planning and implementation. The stakeholders shared educational resources with the department which will be leveraged when designing the training.

The Quality and Population Health Management (QPHM) program, which is leading the efforts for Dementia Aware at DHCS, continues to hold weekly operations and implementation planning meetings with staff. After gathering input from its partner departments and external stakeholders like the CADCs, QPHM is developing a scope of work and will soon be conducting a Request for Information to assist the Department in choosing a University of California contractor to assist the department in launching Dementia Aware. In parallel, QPHM is also researching validated cognitive health assessment tools for use in the initiative's provider training.

On December 9, 2021, DHCS presented an update on our Dementia Aware work to the California Health and Human Services Agency Alzheimer's Disease and Related Disorders Advisory Committee during the public comment portion of the agenda, and notified Advisory Group members that DHCS would like to be added to the agenda to present a more in depth update and solicit feedback at their next scheduled meeting in March 2022.

On December 15, 2021, DHCS met with representatives from the California Academy of Family Physicians (CAFP) to share progress on the Dementia Aware initiative and solicit feedback. CAFP representatives shared insight into how Medi-Cal could consider aligning its billing codes with Medicare when implementing Senate Bill 48 (SB 48), a bill signed into law on October 4, 2021. Upon appropriation of funding by the state legislature for this purpose, SB 48 provides reimbursement to Medi-Cal providers after completing the Dementia Aware training and conducting a cognitive health assessment on eligible Medi-Cal beneficiaries without Medicare coverage. CAFP representatives also shared feedback on cognitive health assessment tools that they use as practicing providers.

On December 17, 2021, DHCS discussed the upcoming Request for Information and existing cognitive health assessment tools with the ten CADCs to solicit feedback. CADCs asked clarifying questions about the upcoming Request for Information related to Dementia Aware and shared insights about criteria for effective screening tool selection.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for this one-time expenditure.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Language Access and Cultural Competency Orientations and Translations
Funding: $27.5M enhanced federal funding ($45.8M TF), $10M GF Ongoing
Lead Department(s): DDS

COVID-19 highlighted the continued need to assist families of children who are regional center consumers from underserved communities to navigate systems – to improve service access and equity and meet basic needs. The Budget includes funding for language access and cultural competency orientations and translations for regional center consumers and their families. This additional investment may be used for identification of vital documents for translation, regular and periodic language needs assessments to determine threshold languages, coordination and streamlining of interpretation and translation services, and implementation of quality control measures toensure the availability, accuracy, readability, and cultural appropriateness of translations.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DDS Language Access & Cultural Competency Orientation and Translation Workgroup has been formed. The initial workgroup meeting was held on October 21, 2021, to discuss preliminary project ideas, language access and program priorities, and to request input to identify language access and translation needs. DDS will gather stakeholder input through the Developmental Services Task Force (DSTF) Service Access and Equity Workgroup in early 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Funding beyond March 2024 is included in the multi-year budget plan.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

CalBridge Behavioral Health Pilot Program
Funding: $40M enhanced federal funding ($40M TF) [One-Time]
Lead Department(s): DHCS

The CalBridge Behavioral Health Navigator Pilot Program provides grants to acute care hospitals to support hiring trained behavioral health navigators in emergency departmentsto screen patients and, if appropriate, offer intervention and referral to mental health or

substance use disorder programs. Applicants will include general acute care hospitals or health systems, hospital foundations, or physician groups. The funding would also support technical assistance and training for participating emergency departments and support for DHCS to administer the program.

While CalBridge is not a new program, the proposed funding is dedicated to new activities (expanding the role of the navigator to better address mental health conditionsas well as substance use disorders), new services (covering the costs for hospitals already participating in CalBridge to add a new navigator and expand hours of coverageor patients served), and new grantees (expanding CalBridge to hospitals that have not yet participated).

While the funding will affect services that are not themselves included in the State Plan services listed in Appendix B, such affected services are nonetheless directly related to the services listed in Appendix B. Specifically, BH Navigators in emergency departmentsprovide screening, brief assessments, and referral to ongoing SUD and mental health treatments on release from the ED, all of which fall into and count among the rehabilitativeservices identified in Appendix B. While the services of the BH Navigators are not billable as rehabilitative services, they are serving to enhance and strengthen HCBS in Medicaid,by identifying patients who could benefit from rehabilitative treatment (both MH and SUD treatment) and then helping the patients access those services.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

Through contract with the Public Health Institute, DHCS is developing a Request for Application (RFA) allowing up to $125k per hospital (inclusive of health systems, hospital foundations and physician groups) for BH navigators. The timeline for release of this Round 1 RFA is April 2022 with an anticipated 68 hospitals awarded totaling $8.5 million. CA Bridge will conduct outreach to hospitals and Emergency Departments to promote the grant funding opportunity and provide three tiers of curriculum and resources on the CA Bridge website.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

While the focus of the CalBridge BH Navigator Program is to specifically fund salaries of BH navigators in the hospital setting, it is the DHCS expectation that many of the funded hospitals will continue to support navigators beyond the conclusion of this initiative. A core component of the CalBridge BH Navigator Program is to have DHCS' third-party administrator, Public Health Institute (PHI), perform technical assistance on sustainability to hospital grantees as part of their contracted activities. Additionally, PHI, through their State Opioid Response-funded California Bridge Program, has developed and promoted a number of technical assistance resources on sustainability of BH navigators, which will be

made available to CalBridge BH Navigator Program grantees.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Home and Community-Based Services (HCBS) Transitions

The HCBS Transition initiatives expand and enhance community transition programs to additional populations or settings and facilitate individuals transitioning from an institutional or another provider-operated congregate living arrangement (such as a homeless shelter) to a variety of community-based, independent, living arrangements. The proposals include transitions from skilled nursing facilities to home or assisted livingenvironments, preventing long-term care placements, transitions from homeless to housed, transitions from incarceration to home or residential programs, and diversion forthose at risk of incarceration as a result of their health care (primarily behavioral health) needs.

These HCBS initiatives invest in reducing health disparities among older adults, people with disabilities, and homeless individuals. They include initiatives to test alternative payment methodologies or the delivery of new services that are designed to address social determinants of health and inequities. These new services may include housing- related supports, such as one-time transition costs, employment supports, and community integration as well as providing more intensive care coordination for individuals with significant socioeconomic needs.

HCBS Transition Initiatives include:

- Community Based Residential Continuum Pilots for Vulnerable, Aging andDisabled Populations
- Eliminating the Assisted Living Waiver Waitlist
- Housing and Homelessness Incentive Program
- Community Care Expansion Program

Community Based Residential Continuum Pilots for Vulnerable, Aging, and Disabled Populations
Funding: $110M enhanced federal funding ($298M TF) [One-Time]
Lead Department(s): DHCS, with CDSS

The Community Based Residential Continuum Pilots would provide medical and supportive services in the home, independent living settings including permanent supportive housing, and community care settings (home, ARFs, RCFEs, affordable housing) in order to avoid unnecessary healthcare costs, including emergency services and future long-term care

placement in a nursing home. This program would ensure individuals are able to live in the least restrictive setting possible by ensuring access to home-based health and other personal care services for vulnerable populations, including seniors and people with disabilities.

Pilot funding would be provided to managed care plans to provide these benefits to members and coordinate with county partners. Managed care plans would contract with licensed providers to provide needed medical and/or behavioral health services to beneficiaries in their own home, in coordination with any authorized IHSS services or personal care/homemaker services.

DHCS does not intend to initiate the initiative until July 1, 2022.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

Nothing to report, as the Continuum Pilot initiative will commence July 1, 2022.

The Continuum Pilot initiative will commence July 1, 2022. There are no updates at this time.

2. *States should explain how they intend to sustain such activities beyond March 31, 2024.*

Nothing to report as yet for this one-time expenditure.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Eliminating Assisted Living Waiver Waitlist
Funding: $85M enhanced federal funding ($255M TF), $38M Ongoing
Lead Department(s): DHCS

California's Assisted Living Waiver (ALW) is a Medicaid Home and Community-Based Services (HCBS) waiver program, authorized in §1915(c) of the Social Security Act. The ALW is designed to assist Medi-Cal beneficiaries to remain in their community as an alternative to residing in a licensed health care facility. Adding 7,000 slots to ALW will help in the effort to eliminate the current Assisted Living Waiver waitlist while furthering the vision of the Master Plan for Aging. The current Assisted Living Waiver capacity is 5,744 slots; of which 5,620 are filled as of May 1, 2021. There are approximately 4,900 beneficiaries on

the waitlist as of May 1, 2021, and an additional 1,300 beneficiaries approved for enrollment in the Assisted Living Waiver but waiting for an available assisted living facility placement to complete enrollment. The proposed addition of 7,000slots will enable DHCS to provide sufficient Assisted Living Waiver capacity to enroll all waitlisted beneficiaries and to clear pending enrollments while still providing a cushion for continued growth.

Additionally, DHCS intends to temporarily modify enrollment criteria for the additional 7,000 slots to promote flexibility. In order to promote cost neutrality, as well as significant savings to the State by transitioning clients out of Skilled Nursing Facilities (SNFs), California requires new enrollments into the ALW to be processed at a ratio of60% institutional transition to 40% community enrollments. DHCS plans to temporarily remove this requirement until the existing waitlist has been cleared. DHCS does not plan on modifying services offered to ALW clients in the current CMS-approved ALW. Current services align with Appendix B of the SMDL #21-003 for Section 1915(c),listed under HCBS authorities. Current ALW services include:

- Assisted Living Services - Homemaker; Home Health Aide; Personal Care
- Care Coordination
- Residential Habilitation
- Augmented Plan of Care Development and Follow-up
- NF Transition Care Coordination

Notably, ALW-eligible individuals are those who are enrolled in Medi-Cal and meet the level of care provided in a nursing facility due to their medical needs. The proposal to eliminate the ALW waitlist will not impact eligibility requirements and will not allow enrollees who are not already Medicaid eligible to enroll into the waiver program. DHCS does not intend to provide funding for services other than those listed in Appendix B). The proposed commitment to Assisted Living Waiver growth will also likely encourage participation of residential care facility for the elderly (RCFE) and adult residential facility (ARF) providers in the Assisted Living Waiver program, as the waitlist has been previouslycited as a barrier to provider participation. DHCS will work with stakeholders to ensure care coordination and transition as beneficiaries are enrolled in ALW.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DHCS submitted an Assisted Living Waiver technical amendment to increase the maximum number of waiver slots, as well as remove the 60%/40% institutional-to-community enrollment ratio. CMS informed the Department that the removal of the 60%/40% ratio would cause the amendment to be substantive, preventing a retroactive start date; therefore, the updated ALW amendment will only address the increased slots. DHCS resubmitted the

amendment to CMS on December 17, 2021, with a retroactive effective date of July 1, 2021. CMS has informed the Department the amendment will be approved quickly. DHCS intends to submit an ALW amendment to address the 60%/40% enrollment ratio by Quarter 3 of FFY 2021-22.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

DHCS intends to continue funding the 7,000 additional ALW slots on a continual ongoing basis beyond March 31, 2024, to meet the needs of eligible Medicaid beneficiaries. DHCS plans to integrate the ALW services into the existing Home and Community-Based Alternatives (HCBA) Waiver upon the February 28, 2024, expiration of the current ALW term.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

DHCS had initially intended to remove 60%/40% institutional to community enrollment ratio requirement in the ALW Waiver amendment. Based on CMS feedback, DHCS will submit a substantive amendment to address the 60%/40% enrollment ratio by FFY 2021-22 Q3.

Housing and Homelessness Incentive Program
Funding: $650M enhanced federal funding ($1.3B TF) [One-Time]
Lead Department(s): DHCS

As a means of addressing social determinants of health and health disparities (as listed in Appendix D of SMD Letter #21-003), Medi-Cal managed care plans would be able to earn incentive funds for making investments and progress in addressing homelessness and keeping people housed. Housing instability is a key issue in the Economic Stability domain of Healthy People 2030, negatively affecting physical health and making it harder to access health care including services in Appendix B of SMD Letter #21-003. Managed care plans would be encouraged to ensure that at least 85% of earned funds go to beneficiaries, providers, local homeless Continuums of Care, counties, and other local partners who are leading efforts on the ground. Funds would be allocated in part by Point in Time counts of homeless individuals and other housing related metrics determined by DHCS. Managed care plans would have to meet specified metrics to earn available funds. The target populations for this program would be aging adults; individuals with disabilities; individuals with serious mental illness and/or SUD needs at risk for, or transitioning from incarceration, hospitalization, or institutionalization; families; individuals reentering from incarceration; homeless adults; chronically homeless individuals; persons who have/hadbeen deemed (felony) incompetent to stand trial; Lanterman-Petris Short Act designatedindividuals; and, veterans. This furthers the proposals included in the state budget relating to housing and homelessness.

Managed care plans and the local homeless Continuums of Care, in partnership with local

public health jurisdictions, county behavioral health, Public Hospitals, county social services, and local housing departments must submit a Homelessness Plan to DHCS. The Homelessness Plan must outline how Housing and Homelessness Incentive Program activities and supports would be integrated into the homeless system. This would include a housing and services gaps/needs assessment and how to prioritize aging and disabled homeless Californians (including those with a behavioral health disability). Plans should build off of existing local HUD or other homeless plans and be designed to address unmet need. In counties with more than one managed care plan, plans would need to work together to submit one plan per county.

The Homelessness Plans must include mapping the continuum of services with focus on homelessness prevention, interim housing (particularly for the aging and/or disabled population), rapid re-housing (particularly for families and youth), and permanent supportive housing. While the funding will be based on incentive payments, managed care plans may invest in case management or other services listed in Appendix B of SMD Letter #21-003, as well as other services that enhance HCBS by supporting housing stability such as home modifications or tenancy supporting services.

The Homelessness Plans must identify what services will be offered, how referrals will be made, how other local, state, and federal funding streams will be leveraged, and how progress will be tracked towards goals, including numbers served and other incentive performance measures. The Homelessness Plans should build on existing homelessness plans and articulate how CalAIM services are integrated into homeless system of care and how theywill address equity in service delivery.

The funding under this incentive program would not include payment for room and board; instead, the funds will incentivize managed care plans to meet operational and performance metrics as authorized under 42 CFR § 438.6(b)(2). California anticipates implementing the program in two phases: a Planning Phase, which will culminate with the submission of the Local Homelessness Plans in June 2022 (subject to change), and a Performance Phase. Plans will be able to earn incentive payments applicable to each phase for successfully achieving specified metrics, with the first payments targeted to occur in Q3 of 2022.

Quarterly Report for Quarter 3 of FFY 2021-2022.

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DHCS is working to finalize the operational and performance metrics that Medi-Cal managed care plans will be expected to meet to receive incentive funding. DHCS has engaged a diverse group of stakeholders including representatives from plans, counties, community-based organizations, housing and homelessness advocates, State partners,

and others.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for this one-time expenditure.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

California has modified the narrative to reframe the target of 85% of incentive funds to be shared with beneficiaries, providers, local homeless Continuum of Care, and/or counties as an encouragement rather than a requirement. In addition, California has modified the narrative to highlight the intended design of the program across a Planning Phase and a Performance Phase, with incentive payments applicable to each phase for successfully achieving specified metrics, and to note the target timeframe for the first incentive payments to be made.

Community Care Expansion Program
Funding: $53.4M enhanced federal funding ($53.4M TF) [One-Time]
Lead Department(s): CDSS

The Community Care Expansion (CCE) Program provides $805M over a three-year period to counties and tribes for the acquisition, or rehabilitation, or construction of Adultand Senior Care Residential Facilities (ARF), Residential Care Facilities for the Elderly (RCFEs) and Residential Care Facilities for the Chronically Ill (RCFCIs). These facilities provide a structured home-like environment for people who might otherwise require institutional care. Funded settings will be fully compliant with the home and community-based settings criteria to ensure community integration, choice, and autonomy, and will thereby expand access to community-based care.

ARFs, RCFEs and RCFCIs are part of a continuum of long-term care supports providing non-medical care and supervision to adults who may have a mental, physical or developmental disability and to those age sixty and over who require additional supports. Many of the residents in these settings are age 65 or older, are blind and/or have disabilities, and may receive Supplemental Security Income/State Supplementary Payment (SSI/SSP). California has a shortage of ARFs, RCFEs and RCFCs that acceptSSI/SSP recipients and has experienced a decline in the number of SSI/SSP recipients who reside in adult and senior care facilities. The goal of the CCE program is to expand and preserve Adult and Senior Care facilities that can serve people experiencing homelessness as well as stabilize existing settings that serve people at risk of homelessness or unnecessary institutionalization in skilled nursing facilities.

Funds will be prioritized for the creation of new and expanded settings but may also be used to fund capital investment and rehabilitation costs for existing settings at risk of closure.

Applicants will be required to demonstrate commitments to supportive services to assist with the stability of those placed in assisted living settings. Facilities that receive acquisition funding may be purchased and owned by the grantee or may be transferred to a new owner/operator and facilities that receive rehabilitation funding may continue tobe owned by an existing owner/ operator. Facilities will maintain covenants to certify their intended use/resident population and the length of the covenants associated with the facilities will be tiered based on the level of funding awarded.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

The Community Care Expansion Program is currently coordinating with DHCS, planning for stakeholder engagement, and planning to release a Notice of Funding Availability (NOFA) in early 2022. Further updates are anticipated in the next quarterly HCBS Spending Plan Narrative for Q3 of FFY 2021-2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Applicants will be required to demonstrate commitments to supportive services to assist with the stability of those placed in assisted-living settings. Facilities that receive acquisition funding may be purchased and owned by the grantee or may be transferred to a new owner/operator, and facilities that receive rehabilitation funding may continue to be owned by an existing owner/operator. Facilities will maintain covenants to certify their intended use/resident population. Moreover, the length of the covenants associated with the facilities will be tiered based on the level of funding awarded.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Note: The projected funding for the CCE program is expected to be released via a NOFA in early 2022. Projected expenditures by quarter will be available by mid-2022.

Services: Enhancing Home and Community-Based Services Capacity and Models of Care

By innovating and improving HCBS models of care to meet the needs of the individuals it serves, the state can increase capacity in the HCBS system, allowing more individuals, particularly those in the aging and disabled communities, to access services. In addition, some of these initiatives will allow existing HCBS programs to serve existing clients better as well as expand to serve more individuals who meet eligibility criteria.

Initiatives include:

- Alzheimer’s Day Care and Resource Centers
- Older Adult Resiliency and Recovery
- Adult Family Homes for Older Adults
- Coordinated Family Support Service
- Enhanced Community Integration for Children and Adolescents
- Social Recreation and Camp Services for Regional Center Consumers
- Developmental Services Rate Model Implementation
- Contingency Management

Alzheimer’s Day Care and Resource Centers
Funding: $5M enhanced federal funding ($5M TF) [One-Time]
Lead Department(s): CDA, with CDSS, CDPH, DHCS

These funds would be used to provide dementia-capable services at licensed Adult Day Programs (ADP) and Adult Day Health Care (ADHC) centers, allowing for community-based dementia services that would include, but not be limited to: caregiver support and social and non-pharmacological approaches that would expand and enhance HCBS services by preventing or delaying the need for individuals with dementia and Alzheimer’s to be placed into institutional care settings. These activities will include a one-time payment to providers (i.e., ADP and/or ADHCs) for operational and administrative expenditures in providing services by a qualified multidisciplinary team within the funding period through March 2024.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

CDA is in need of a staffing resource to stand up this effort. In the interim, current staff have been working with the CBAS providers and Alzheimer stakeholders to begin the implementation of this program. Currently, we are creating a Request for Proposal to

release to the network to determine who will receive this funding opportunity.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for these one-time expenditures.

3. *Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.*

Nothing to report.

Older Adult Resiliency and Recovery
Funding: $106M enhanced federal funding ($106M TF) [One-Time]
Lead Department(s): CDA

The one-time augmentation of $106 million, to be spent over three years (2021-22, 2022-23 and 2023-24), will strengthen older adults' recovery and resilience from the severe isolation and health impacts from staying at home for over a year due tothe Coronavirus pandemic. Funding allocations are proposed as follows: Senior Nutrition ($20.7 million); Senior Legal Services ($20 million); Fall Prevention and Home Modification ($10 million); Digital Connections ($17 million); Senior Employment Opportunities ($17 million); Aging and Disability Resource Connections ($9.4 million); Behavioral Health Line ($2.1 million); Family Caregiving Support ($2.8 million); Elder Abuse Prevention Council ($1 million); and State Operation Resources ($6 million).

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

CDA has begun working with stakeholders to establish intent, guidance, policy, and procedures regarding the new investment funding. These funds are intended to expand upon and enhance existing programs. The funding will begin to roll out in current year, continuing into FY 22-23.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for these one-time expenditures.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Adult Family Homes for Older Adults
Funding: $9M enhanced federal funding ($9M TF), $2.6M Ongoing
Lead Department(s): CDA, with Department of Developmental Services (DDS)

Adult Family Homes offer the opportunity for up to two adult individuals to reside with a family and share in the interaction and responsibilities of being part of a family unit, while the family receives a stipend and support from a local Family Home Agency (FHA) for caregiving for the adult individual(s). California will pilot Adult Family Homes for older adults in one county, with the Department of Developmental Services (DDS) assisting the Department of Aging (CDA) in developing and operating the program. This pilot is based on the successful program serving adults with developmental disabilities currently run by the DDS. Interested family homes are assessed and receive background clearances from a non-profit FHA under contract with a Regional Center. DDS performs oversight over the Regional Center and the FHA. CDA will mirror this model with Area Agencies on Aging and the existing non-profit FHAs.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

Currently CDA is working with DDS to implement this program. Next, CDA will survey the AAA network to seek out partners in this effort.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for this ongoing funding investment.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Coordinated Family Support Service
Funding: $25M enhanced federal funding ($42M TF); [One-Time], $25M GF Ongoing
Lead Department(s): DDS

Currently, adults living outside the family home have more coordinated supports than individuals living with their family. DDS data shows a significantly higher percentage of

adults who identify as non-white (75%) live with their family as compared to adults who are white (52%). To improve service equity for adults who live with their family, and improve individual supports at home, this proposal would pilot a new service for families similar to supported living services provided outside the family home. The pilot would assist families in coordinating the receipt/delivery of multiple services.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DDS has assembled an internal team that will lead this initiative. An operational plan is in development.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

This pilot program will be reviewed for equity in consumer access and outcomes. Ongoing funding will be determined through the state's annual budget process.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Enhanced Community Integration for Children and Adolescents
Funding: $12.5M enhanced federal funding ($12.5M TF) [One-Time]
Lead Department(s): DDS

Children with intellectual and developmental disabilities (IDD) are frequently left out from participation in community programs, but both the child with IDD and children without IDD greatly benefit from opportunities to develop friendships. This proposal would support community social recreational connections for children through a multi-year grant program. The grant program will be for regional centers to work with CBOs and local park and recreation departments to leverage existing resources and develop integrated and collaborative social recreational activities.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

DDS continues to gather stakeholder feedback, which will continue through next quarter.

An operational plan has been created.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

DDS anticipates programs started through these grants will continue beyond the grant period through collaboration with local entities, regional centers, and families, to sustain integrated social recreational activities.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Social Recreation and Camp Services for Regional Center Consumers
Funding: $78.2M enhanced federal funding ($121.1M TF) Ongoing
Lead Department(s): DDS

This proposal would support expanded options for individuals who have a developmental disability to include camping services, social recreation activities, educational therapies for children ages 3-17, and nonmedical therapies such as social recreation, art, dance, and music. Additionally, the proposal provides increased options for underserved communities.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

In this reporting period, DDS has required each regional center to develop a communications plan that describes how the center will share information with its community. The plan must also include strategies for connecting with individuals/families in communities of color and/or whose primary language is not English. Regional centers are also revising Purchase of Service policies, as needed.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Funding beyond March 2024 is included in the multi-year budget plan.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Developmental Services Rate Model Implementation
Funding: $945M enhanced federal funding ($1.4B TF); $1.2B Ongoing
Lead Department(s): DDS

This investment will improve and stabilize the services directly impacting consumers, build the infrastructure to support consumers and their families through person-centered practices and supports. Additionally, a prevailing need and challenge within the developmental service system is moving from a compliance-based system to an outcome-based system. To accomplish this conversion, DDS will need to build infrastructure and modernize methods for collecting and analyzing information about consumer services and outcomes. This proposal implements rate models recommended by the 2019 Rate Study completed by DDS, with the help of a consultant. The state will maintain HCBS provider payments at a rate no less than those in place as of April1, 2021; however, rates may be adjusted based on reviews or audits. The rate models would allow for regular updates based on specified variables, address regional variations for cost of living and doing business, enhance rates for services delivered in other languages, and reduce complexity by consolidating certain serviced codes. To improve consumer outcomes and experiences and measure overall system performance, the rate reform reflects the following goals: consumer experience, equity, quality, and outcomes and system efficiencies. The department will implement a quality incentive program to improve consumer outcomes, service provider performance, and the quality of services with input from stakeholders.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

During the reporting period, DDS held several webinars with stakeholders to discuss the Rate Model Implementation. DDS has begun the process of gathering needed information from regional centers and providers to determine the rate increases effective April 1, 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

The 2021-22 budget for DDS identified multi-year funding to implement the 2019 Rate Study by July 1, 2025, and includes an ongoing quality incentive program.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Contingency Management
Funding: $31.7M enhanced federal funding ($58.5M TF) [One-Time]
Lead Department(s): DHCS

Unlike alcohol and opioid addiction, there are no medications that work for stimulant use disorder. Overdose deaths from stimulants equal deaths from fentanyl in California, and rates continue to rise, causing high social costs (in terms of criminal justice involvement and foster care placement) and high medical costs (stimulant use disorder leads to high ED and hospital costs for infections, lung and heart disease). The lack of effective community-based treatments for stimulant use results in increased utilization of residential treatment services, particularly in the Medi-Cal program. DHCS proposes to offer contingency management via a pilot, as it is the only behavioral therapy repeatedly shown in studies to work for stimulant use disorder.

Contingency management (CM) uses small motivational incentives combined with behavioral treatment as an effective treatment for stimulant use disorder. The Department proposes to implement the motivational incentives through Drug Medi-Cal Organized Delivery System. Counties will apply to opt into the pilot program, and will designate participating providers in their network. The providers will assess patients, determine that they meet criteria for the program (a diagnosis of stimulant use disorder), and offer counseling services and urine drug testing. The motivational incentives will be offered to patients through a mobile app, accessible to patients through smart phones, tablets or computers. For patients without access to a smart phone, the motivational incentives will be managed through a statewide database, accessed through the treatment provider.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

The Department will use the January-June 2022 period to issue applications for counties, applications for vendors to manage the incentives through a statewide DHCS contract, and to provide guidance and training for counties and providers. CM services will launch July 2022 and continue through March 2024. DHCS would conduct a robust evaluation and, if the program is demonstrated to be effective, submit a proposal through the budget process to allow contingency management to be an ongoing Medi-Cal benefit, as part of the Drug Medi-Cal Organized Delivery System. By increasing the availability of community-based treatment, this proposal will reduce demand for residential treatment services, reducing costs and allowing individuals with substance use disorders to recover in the community and further builds on the behavioral health delivery system reforms in California Advancing and Innovating Medi-Cal (CalAIM).

Since the last quarterly report, the Department has been working diligently internally and with a stakeholder workgroup to define policy, operational requirements, and complete tasks in the implementation plan. The Department plans to publish the CM policy paper by December 31, 2021, and issue a Request for Applications for counties electing to participate in the pilot. The Department is finalizing the training plan, which will include a provider readiness review (prior to seeing clients) and model fidelity review (after program launch) to ensure every provider complies with state and federal requirements.

The Department will issue applications for vendors to manage the incentives through a statewide DHCS contract in early 2022, so the contracts are in place prior to launch of services in July 2022, which will continue through March 2024. DHCS is working with the evaluator for the DMC-ODS 1115 waiver, UCLA, to conduct a robust evaluation, and the evaluation design will be complete in the spring 2022.

If the program is demonstrated to be effective, DHCS plans to submit a proposal through the budget process to allow contingency management to be an ongoing Medi-Cal benefit, as part of the Drug Medi-Cal Organized Delivery System. By increasing the availability of community-based treatment, this proposal will reduce demand for residential treatment services, reducing costs and allowing individuals with substance use disorders to recover in the community and further builds on the behavioral health delivery system reforms in California Advancing and Innovating Medi-Cal (CalAIM).

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Pending confirmation of successful implementation in pilot counties, DHCS would propose in our budget process to extend the contingency management benefit to all counties as a mandatory service in our Drug Medi-Cal Organized Delivery System.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Home and Community-Based Services Infrastructure and Support

The following infrastructure investments will support the growth of HCBS services, to allow existing HCBS programs to serve existing clients better as well as expand to serve more individuals who meet eligibility criteria.

Initiatives include:

- Long-Term Services and Supports Data Transparency

- Modernize Developmental Services Information Technology Systems
- Access to Technology for Seniors and Persons with Disabilities
- Senior Nutrition Infrastructure

Long-Term Services and Supports Data Transparency
Funding: $4M enhanced federal funding ($4M TF) [One-Time]
Lead Department(s): DHCS, with CDPH, CDSS, CDA, OSHPD/HCAI

This is a multi-department initiative to improve long-term services and supports (LTSS) data transparency, including utilization, quality, and cost data. This will be accomplished by creating a LTSS Dashboard linked with statewide nursing home and HCBS utilization, quality, demographic, and cost data. The goal of increased transparency is to make it possible for regulators, policymakers, and the public to be informed while we continue to expand, enhance and improve the quality of LTSS in all home, community, and congregate settings. Nationwide core and supplemental standards for HCBS quality measurements do not exist, are long overdue, and would go a long way in improving our understanding of what works, where there are quality gaps, etc. As such, there are no current outcome-based HCBS quality measures or routine data publishing for HCBS in use at DHCS. Including HCBS quality measures in the LTSS Dashboard will enhance and strengthen the provision of HCBS under Medi-Cal. Similarly, including HCBS utilization measures will enable us to examine and ultimately improve access and reduce disparities in who utilizes these vital HCBS services in Medi-Cal.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

On October 6, October 29, and November 3, 2021, DHCS held cross-divisional meetings – with representatives from Enterprise Data and Information Management, Health Care Delivery Systems, the Health Care Financing, the Office of Medicare Innovation and Integration, and Quality and Population Health Management (QPHM) – to develop a work plan for the initiative and to determine the scope of work for external contractors to assist the department in launching the LTSS Dashboard.

With feedback received across the divisions on the work plan and scope of work, QPHM is in discussions with the Department's contracts division to determine how best to bring on the necessary contractors.

DHCS is also in the process of completing an LTSS landscape analysis (to determine what various areas of our department, other states, and the federal government is doing in this space and to identify gaps in performance measurement), and then to

make policy recommendations regarding measures to include in the dashboard.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Beyond March 31, 2024, activities for this initiative will be sustained by the continued maintenance of the LTSS dashboard. Moreover, DHCS leverages the data from the measures being tracked on the dashboard to assess utilization and conduct statewide quality improvement.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Modernize Developmental Services Information Technology Systems
Funding: $6M enhanced federal funding ($7.5M TF) [One-Time]
Lead Department(s): DDS

The one-time investment supports the initial planning process to update the regional center fiscal system and implement a statewide Consumer Electronic Records Management System.

Uniform Fiscal System – The current information technology systems for billing and case management are disjointed and unable to quickly adapt tochanging needs given the age of the systems and lack of standardization. Changes require DDS and regional centers to create and apply patches independently to each individual regional center (RC) system. The process for reporting data from the regional centers to the department is delayed, resulting in significant data lags that can delay identification of problems and hinder decision-making given outdated information. The existing fiscal system was implemented in 1984. Replacement of the RC fiscal system, which processes provider payments, will improve efficiencies as the system is modernized and provide more detailed expenditure data consistent with CMS payment system expectations.

Consumer Electronic Records Management System – The regional centers do not have a statewide standardized client case management system. Securing timely and accurate data is extremely challenging due to system differences. Additionally, there is not an outward-facing option for self-advocates and families to access their information, such as IPPs, current authorizations, appointments, outcomes data, etc.; instead, that information is being delivered by mail or email. This proposal will increase the availability and standardization of information to include, measures/outcomes, demographics, service needs, special incident reports, etc. Lastly, the system will allow consumers, via the web or app, to access their records. This investment will also support the efforts to develop an

outcomes-based system for purchase of services.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

During the reporting period, DDS focused on establishing initial resources for the project. This includes posting a Request to Offer in order to bring onboard consultants, interviewing candidates for several positions, and hiring staff with anticipated start dates in January 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

The 2021-22 budget for DDS identified the initial multi-year funding for this effort. Additional resources will go through the State of California's budgeting process for information technology projects.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Access to Technology for Seniors and Persons with Disabilities
Funding: $50M enhanced federal funding ($50M TF) [One-Time]
Lead Department(s): CDA

This initiative includes $50 million to fund the Access to Technology Program for Older Adults and Adults with Disabilities pilot program. The purpose of this program is to provide grants directly to county human services agencies that opt to participate in the pilot program and to increase access to technology for older adults and adults with disability in order to help reduce isolation, increase connections, and enhance self-confidence. California proposes to pay for devices, training, and ongoing internet connectivity costs for low-income older and disabled adults for two years, as part of the activity to provide Access to Technology for Seniors and Persons with Disabilities. Internet connectivity will enhance, expand, and strengthen HCBS services and outcomes by providing low-income older adults and individuals with disabilities in community settings access to vital services on-line such as telehealth, social engagement/isolation prevention, and information about services in their communities such as nutrition, transportation, and long-term services and supports.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. *Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS*.

CDA is working with the County Welfare Directors Association of California (CWDA) CWDA and the counties to establish need, allocation methodologies, and the most effective way to employ the program.

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2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for these one-time expenditures.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.

Senior Nutrition Infrastructure
Funding: $40M enhanced federal funding ($40M TF) [One-Time]
Lead Department(s): CDA

This initiative includes $40 million to fund capacity and infrastructure improvement grants for senior nutrition programs under the Mello-Granlund Older Californians Act. The grants shall prioritize purchasing, upgrading, or refurbishing infrastructure for the production and distribution of congregate or home-delivered meals, including, but not limited to, any of the following: Production-scale commercial kitchens; warming, refrigeration, or freezer capacity and equipment; food delivery vehicles; improvements and equipment to expand capacity for providers of meals; and technological or data system infrastructure for monitoring client health outcomes. Congregate meals sites are based in the community, offered in senior centers, schools, churches, farmers markets, and other community settings. In addition to a hot meal, congregate meals in the community offer participants opportunities for socialization and building stronger informal support networks in the communities in which participants live. Grants are intended to be awarded through Area Agencies on Aging (AAAs). All contracted meal-providers and AAAs are directed to work collaboratively to develop a coordinated and consolidated request for proposal on behalf of each Planning and Service Area to obtain funding through this grant program. CDA may make additional grants, to CBOs or local governments, if needed to ensure equitable access to funds. California does not plan to pay for major building modifications or ongoing internet connectivity as part of the Senior Nutrition Infrastructure activities.

Quarterly Report for Quarter 3 of FFY 2021-2022

1. Please provide information on activity outcomes, lessons learned, challenges, or any other information that the state deems as relevant and important to advancing HCBS.

CDA is working with the Area Agencies on Aging network to determine need, allocation methodology, and the appropriate recipients of the grant funding. CDA anticipates that the program will be fully implemented by July 2022.

2. States should explain how they intend to sustain such activities beyond March 31, 2024.

Nothing to report as yet for these one-time expenditures.

3. Updates or modifications to the quarterly HCBS narratives concerning California's HCBS initiatives should be highlighted for ease of CMS review.

Nothing to report.